

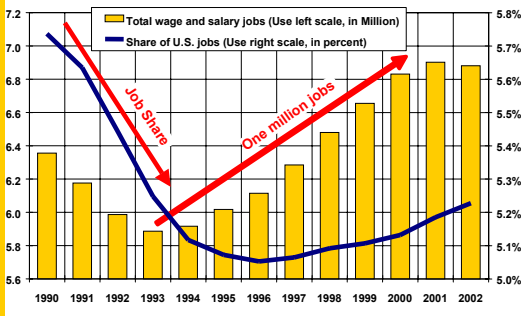
“Operation Jump-Start”



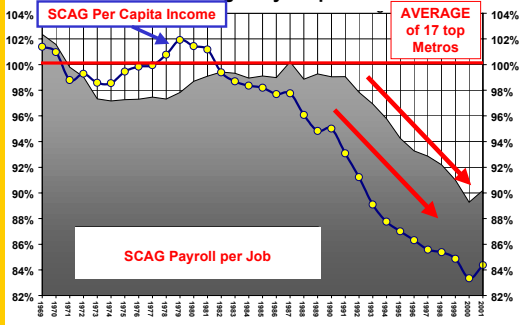
Reversing the Region's Economic Decline

SCAG Region: 1993 - 2003

Jobs Increased - Share of U.S. Jobs Decreased



SCAG Region Per Capita Personal Income and Average Payroll per Job



Per Capita Personal Income

When compared to the 17 largest metro regions, this region has experienced a steady decline:

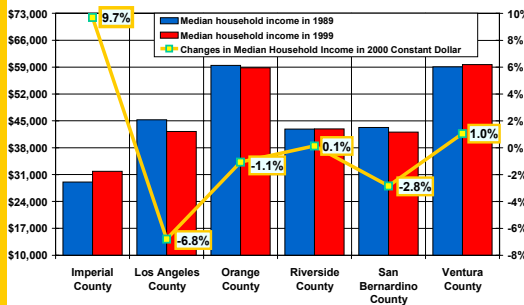
1970	4th	↓
1990	7th	
2001	16th	

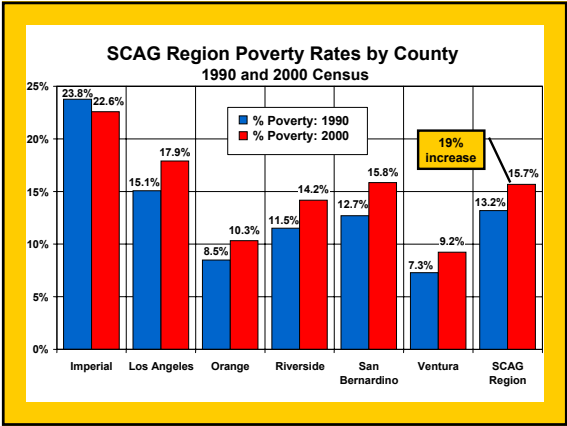
Wages

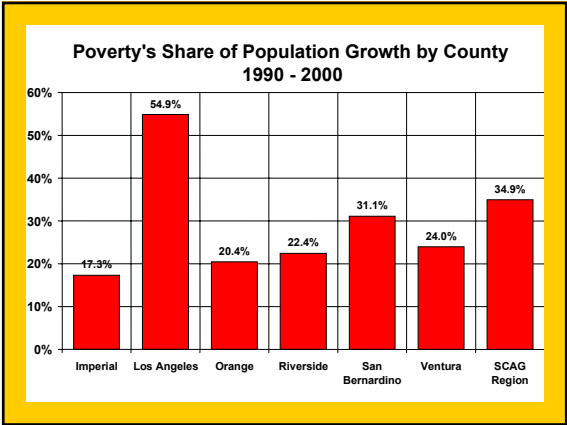
The region has also experienced a steady decline in wages

1987	4th	↓
1994	6th	
2001	11th	

Median Household Income and Changes by County
(1990 & 2000 Census in 1999 Constant Dollar)







Poverty Concentration Compared to Other Regions Changes between 1990 and 2000

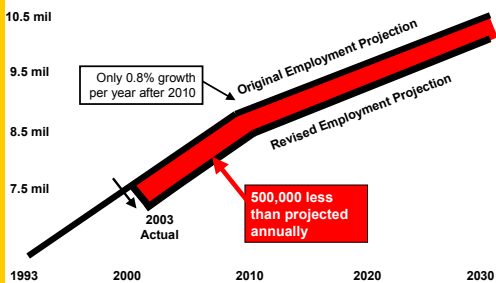
	High-Poverty Census Tracts*			Population Change	Concentrated Poverty Rate Change	
	1990	2000	Change	Change	Total	
New York	279	253	-26	-15,037	-6.4	
Chicago	187	114	-73	-177,908	-12.7	
Detroit	150	53	-97	-313,217	-25.6	
Houston	51	24	-27	-77,662	-10.9	
Dallas	36	17	-19	-41,805	-11.6	
Philadelphia	70	67	-3	-937	-7.4	
St. Louis	39	26	-13	-38,866	-15.3	
Pittsburgh	42	26	-16	-26,822	-20.7	
SCAG REGION	63	157	+94	+353,907	+5.7	*Census tracts with 40% or higher population in poverty

Source: The Living Cities Census Series, May 2003, the Brookings Institution

Poverty Concentration is Costly

- As poverty concentration in cities increases, municipal expenditures not directly related to poverty also increase
 - e.g. fire and police protection
- these costs can be significant, as high as 20% of total expenditures
- In the SCAG Region, such costs were estimated to be \$3.2 Billion in the year 2000

SCAG Employment Projection Actual vs. Projected



By the
Year
2030

- The population will increase

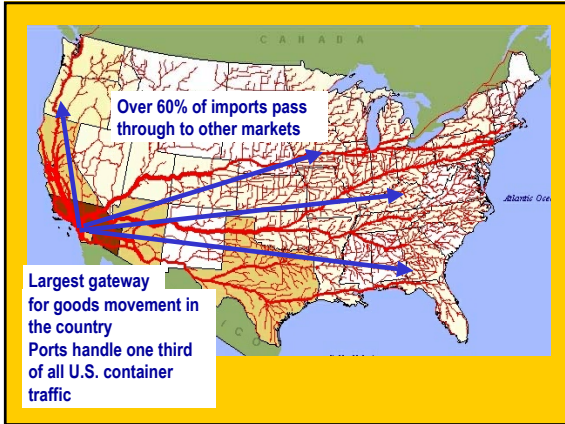
38%



- And container trade through our ports will increase

200%











An Economic Recovery Strategy

THE OBJECTIVES

- Reverse the erosion of regional competitiveness
- Fill the job growth gap
- Create needed jobs now and lay the long term foundation to develop basic industries
- Ensure SCAG region economic prosperity and sustainability after 2010
- Improve quality of life through congestion relief and emission reductions

An Economic Recovery Strategy

THE STRATEGY

- Use the energy of trade to develop jobs – high-quality construction, manufacturing and transportation jobs - to raise wages and per capita income
- Accelerate infrastructure investment with privately funded, revenue-backed projects recommended in SCAG's Regional Transportation Plan (RTP)

An Economic Recovery Strategy

THE OUTCOME

The creation of:

370,000 jobs within the next 6 years

62,000 per year, primarily through privately funded transportation infrastructure investment

The injection of over:

\$26 billion into the SCAG regional economy between 2005 and 2010

An Economic Recovery Strategy

THE OUTCOME

The creation of an additional:

485,000 jobs after 2010

The injection of over:

\$34 billion into the SCAG regional economy between 2010 and 2030



Addressing Truck Demand

PROPOSED SOLUTION



- Construct a dedicated toll truckway system (\$16.5B)
- Charge an average toll of \$0.56 per mile to cover construction and maintenance costs
- Issue tax-exempt revenue bonds backed by user fees
- Obtain TIFIA loan



Proposed Roadway Improvements



Rail Capacity Improvements

PROPOSED SOLUTION



- Charge an average fee of \$5.39 per container transiting the corridor to expand capacity
- Take advantage of the interest rate differential between private sector capital costs and tax-credit bonds
- \$2.2B for Grade Separations
- \$1.2B for Rail Capacity Improvement



Grade Separations



Rail Capacity Improvements



High Speed Maglev System



TOTAL INVESTMENT
\$5.5 billion Capital
Development Cost
for Initial Operating
Segment

FINANCING
Tax Exempt Bonds
TIFIA Loans



High Speed Rail: Maglev System



- Connecting the Region's Activity Centers & Airports
- Initial Operating Segment: West LA to Ontario



 **IN SUMMARY**



Impact on Employment and Income

	Employment	Income In Billions
Roadway Projects (for Trucks)	227,040	\$7.8
Rail Investment	49,876	\$1.7
Maglev - IOS	91,434	\$3.1
TOTAL	368,350	\$12.6

	Share of Employment	Average Wage
Imperial	0.3%	112.1%
Los Angeles	30.2%	112.7%
Orange	18.3%	116.3%
Riverside	18.7%	128.3%
San Bernardino	29.4%	125.2%
Ventura	3.2%	119.8%



Impact on State Budget

- Raising per capita income is critical
- If the region had maintained its 4th place ranking in per capita income it would:
 - be generating \$23 billion this year in personal tax revenues for the state
 - Be sending \$5.3 billion dollars more to Sacramento
 - be reducing the budget deficit by 17%

